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C O N F I D E N T I A L SECTION 01 OF 03 ABUJA 000756

SIPDIS

E.O. 12958: DECL: 05/13/2015

TAGS: [PGOV](#) [MOPS](#) [EPET](#) [PREL](#) [NI](#)

SUBJECT: GON PRESENTATION ON NIGER DELTA

Classified By: Charge d'Affaires Thomas P. Furey for Reasons 1.5 (b) and (d).

11. (C) SUMMARY: President Obasanjo has given us a document asking for cooperation in "ensuring availability, security and stability of hydrocarbon resources in the Niger Delta," although he refers to it as about the Gulf of Guinea as a whole and includes some regional efforts as a figleaf that it is also Nigeria's neighbors' problem. The report is not aimed at them, however, it is aimed at the international oil companies and the U.S. and UK governments, whose interests are more at risk. The GON document is long on background, not always accurate, and very short on how the GON, foreign governments and international oil companies would work together. The document does, however, frankly acknowledge that the GON is totally absent from much of the oil-rich Delta. Perhaps that and the skimpy plans for future initiatives are at least a start, and worth our and the oil companies pursuing it further. END SUMMARY.

12. (C) The Ambassador with PolCouns notetaker met May 12 with the Nigerian National Petroleum Corporation's Group Managing Director, Funsho Kupolokun, at the request of President Obasanjo to discuss GON plans for restoring stability to the Niger Delta. Kupolokun gave us a slightly updated copy of a plan that Obasanjo had given to the Ambassador and a visiting delegation led by EUCOM DCDR Gen. Wald, NSC Africa Director Dr. Courville, and DASD Whalen on May 3 (reftel).

13. (C) Kupolokun explained (and we have heard from other sources) that he has been designated to put together a GON strategy to restore stability to the Niger Delta, including security, political and development action. The actors would include Nigeria's Presidency, military, police, development authorities and states, working with Nigerian and international oil companies, and foreign governments (mostly U.S. and UK). Kupolokun noted that the GON seeks to increase oil production capacity to 4.1 million bpd (from the present 2.5 million bpd), which will require some 34 billion USD in new investment over the next five years. The GON seeks to expand natural gas production likewise through investment of some 32 billion USD. The GON realized, he said, that it needed to create stability in the Delta to make such investment possible.

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GON PLAN: LONG ON BACKGROUND...  
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14. (C) Kupolokun walked us through the first 62 background pages of the 72 page document, explaining the economic/strategic importance of the Niger Delta, how previous Nigerian Governments and the oil companies have created the current mess, and efforts to date of the present authorities to improve it. When the Ambassador noted that the report's list of what Nigeria's state governments have done and are doing to help does not reflect reality, that they are doing little to help and instead stealing much of their budgets, Kupolokun rolled his eyes and said he had had to put in the document what the state governors told him they were doing, not reality. There was a similar exchange of incredulousness on the activities of the GON's Niger Delta Development Commission (NDDC), also widely accused of great theft and little positive action.

15. (C) The document was more honest and even lucid in some other parts of the background assessment. Page 42 on violence, instability and conflict, for example, says "State (GON) institutions and services are completely absent in a substantial number of communities, and hence oil companies are forced to take over parts of the social welfare functions, thereby seemingly constituting a 'surrogate government.'" Later it said, "Illegal bunkering (theft) of oil, illegal tapping of pipelines, and sale of the stolen fuel or crude oil to buy weapons, political support and fund militias has created a large criminal sector leading to disruption of oil operations, loss of revenue, and instability." The report speaks of oil "shut-ins," meaning production losses due to theft and militias closing facilities as some 250,000 bpd, of which 80,000 is Shell's being kept out of Ogoniland. (Note: The resulting 160,000 bpd figure is close to the 150,000 bpd estimate for stolen oil the Embassy uses, but is far above the 20,000-60,000 bpd figures that the Finance Minister and other GON officials give. End Note.)

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...AND SHORT ON ACTION  
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16. (C) The last ten pages of 72 touch briefly on "domestic and international initiatives" to be taken by the Nigerian Presidency, military and development agencies, Nigeria's state governments, Nigerian and international oil companies, and foreign governments. The main foreign governments being considered are the U.S. and UK; Kupolokun said he had made the same briefing earlier to the British High Commissioner (who told us he was more impressed). Early in this section, the document says baldly "The GON may not be able to sustain its domestic initiatives if the parallel international cooperative initiatives are not instituted."

17. (C) The "domestic and international initiatives" are divided into two groups, those requiring immediate attention and cooperation, and "areas for further discussion and attention." The GON immediates were a long list of what the Obasanjo administration claims it is already doing (e.g. defeating corruption, EITI, a campaign to confiscate/destroy all illegal weapons, etc.), and political work the GON wants to do through a "Niger Delta Peace and Security Working Group" that will include all "stakeholders." Foreign governments and international oil companies are foreseen as being "stakeholders" with the GON, state governments and community groups, although neither Kupolokun nor Obasanjo has yet asked us to join. The Working Group's tasks would be to develop a Peace and Security Strategy, as well as to develop a coalition to work toward sustainable peace in the Delta on the basis of that strategy.

18. (C) The "Role of the International Community" was more detailed about "immediate" needs. The GON wants cooperation on establishing coastal zone management, on tracking and prosecuting money launderers (which we suspect could be broadened to include major oil thieves), and on stopping unauthorized import and militia ownership of weapons. Nigerian "communities" would be asked to rebuild their traditional institutions by "restoration of traditional moral values." State governments would be asked to prevent militias, use more of their revenue for development, and "desist from exciting their citizens in expectation of cheap and easy but unrealizable access to wealth through local control of natural resources." The latter, Kupolokun explained, was not about getting state governors out of the illicit oil theft business, which many are big players in, but rather about stopping their political agitation for a bigger cut of the GON's licit revenues.

19. (C) The Ambassador noted that the vaunted anti-corruption campaigns have not produced convictions, nor even many acquittals. Kupolokun replied with the stock GON line: "We cannot overcome 20 years (of military rule) very quickly -- we are doing our best and are sending a strong message." The Ambassador noted that Nigeria's state governments technically do not control police or military to do what the document has them doing, and that the GON would have a difficult time getting them to curb militias when the governors themselves controlled so many of the militias. Kupolokun looked skyward for help and said: "I cannot say any of those things."

110. (C) The areas for further discussion were essentially a wish list. The part it seems is intended for foreign governments included police training and equipment (including an "air wing"), training and equipping a Nigerian military special operations force, government capacity building, conflict management, coastal zone management, information technology, infrastructure development, environmental remediation and restoration of biodiversity. The part of the list apparently intended for international oil companies includes building 6 billion USD worth of electric power generation stations and transmission networks, and paying another 100 billion naira (769 million USD) to NDDC for a "Niger Delta Human Development Fund." Several other NDDC activities were listed for funding. Kupolokun said: "Tell me what can be done, and I will find a way to put it into official language."

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COMMENT  
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111. (C) There is not much meat in the GON document, and even less inkling of how Kupolokun's Nigerian National Petroleum Corporation (NNPC) would bring together the GON military, political and development bureaucracies necessary to make any of it work. Indeed, the document did not mention NNPC itself doing anything in the areas for immediate attention or the areas for further discussion. For next steps it had a meeting "at ministerial level or equivalent" to discuss and clarify the GON's proposal, which seems to have precious little to discuss and no intention to clarify. Kupolokun asked only that the PolCouns set up further meetings for him with the Ambassador to keep a dialogue going.

12. (C) There is a huge problem in the Delta, a society breakdown now with political, security, environmental, and economic disasters seemingly headed toward further crisis. It certainly threatens the expansion of oil exports, as Kupolokun noted, and possibly threatens Nigeria's polity with a Columbia-like cartelization scenario. The document frankly acknowledged that the GON does not control much of the Delta. The oil majors recognize the threat, and agree with us that their and the GON's security, political and development paradigms must change. The question is whether to push for GON involvement through this document from Obasanjo via the NNPC, or whether to seek an alternative approach.  
FUREY